

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE 1 OF 1 PAGES
2. AMENDMENT/MODIFICATION NO. A270	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue, MSIN A7-80 Richland, WA 99352	CODE	7. ADMINISTERED BY (If other than item 6)	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP Code) Fluor Hanford, Inc. 2420 Stevens Center PO Box 1000 Richland, WA 99354		(✓) 9A. AMENDMENT OF SOLICITATION NO.	
		9B. DATED (SEE ITEM 11)	
		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC06-96RL13200	
		10B. DATED (SEE ITEM 13) 08/06/96	
CODE	FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATA SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

N/A \$0.00

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER Specify type of modification and authority

X H.33; Performance Objectives, Measures, Expectations, and Fee Distribution

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to incorporate revised Performance Incentives (RL-0011, RL-0012, RL-0013, and RL-0042) into Part III, Section J, Appendix D of the contract; and, to update Section B.4.A (Estimated Cost and Fee).

Attachments: Performance Incentives and Section B.4.A.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)

C. M. Murphy, President and Chief Executive Officer

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

Sally A. Sieracki, Contracting Officer

15B. CONTRACTOR/OFFEROR

Candice M. Murphy
(Signature of person authorized to sign)

15C. DATE SIGNED

7/3/07

16B. UNITED STATES OF AMERICA

BY *Sally A. Sieracki*
(Signature of Contracting Officer)

16C. DATE SIGNED

3 Jul 07

NSN 7540-01-152-8070
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DOE-RL/RLCC

B.4 ESTIMATED COST AND FEE

- A. The Contract fee pool will be established at the target funding level case. If compliance funding is obligated to the Contract, the fee pool will be adjusted in accordance with paragraph C of this Clause. Compliance funding and any associated fee will be added at the sole discretion of DOE.

(1) Target Funding:

The estimated cost of the Contract is the total funding provided from October 1, 1996, through September 30, 2006, \$7,805,975,466.22 (this is through contract modification A253) plus an estimated target budgetary funding of \$1,421,726,000 for the period October 1, 2006, through September 30, 2008, for a total estimated target funding of \$9,227,701,466.22.

The estimated target budgetary funding, including fee, for FY 2007 and FY 2008 is set forth as follows (\$ in thousands):

PBS (\$000)	B&R	FY 2007	FY 2008	Total
RL-0011	EY5042110	76,465	96,074	
RL-0012	EY5042120	134,768	97,181	
RL-0013 C	EY5142130	209,208	227,414	**
RL-0030	EY5142300	84,711	100,756	
RL-0040	EY5142400	58,334	75,650	
RL-0080	EY5142800	3,149	3,329	
RL-0020	FS5010010	75,195	85,665	
RL-0042	EZ4042421	28,859	10,068	
Total EM Target Baseline		670,689	696,137	1,366,826
Work for Others		<u>25,400</u>	<u>29,500</u>	<u>54,900</u>
Total (including fee)		696,089	725,637	1,421,726
Fee		38,300	40,771	79,071

(2) Compliance Funding:

The estimated cost of the Contract is the total funding provided from October 1, 1996, through September 30, 2006, \$7,805,975,466.22 (this is through contract modification A253) plus an estimated compliance budgetary funding of \$1,478,977,000.00 for the period October 1, 2006, through September 30, 2008, for a total estimated compliance funding of \$9,284,952,466.22.

The estimated compliance budgetary funding, including fee, for FY 2007 and FY 2008 is set forth as follows (\$ in thousands):

PBS (\$000)	B&R	FY 2007	FY 2008	Total
Total EM Target Baseline		670,689	696,137	1,366,826
Compliance Funding				
RL-0011	EY5042110			
RL-0012	EY5042120			
RL-0041	EY5042410			
RL-0013 B	EY5042130			
RL-0043	EY5042430			
RL-0013 C	EY5142130		52,560	
RL-0030	EY5142300		3,257	
RL-0040	EY5142400		1,434	
RL-0080	EY5142800			
RL-0020	FS5010010			
RL-0042	EZ4042421			
EM Compliance Baseline (including fee)			57,251	57,251
Fee for Compliance Baseline			3,190	3,190
Total EM Target & Compliance Baseline		670,689	753,388	1,424,077
Work for Others		25,400	29,500	54,900
Total (including fee)		696,089	782,888	1,478,977
Fee for Target & Compliance Baseline		38,300	43,961	82,261

Total funding is defined as all funds (e.g., DOE Office of Environmental Management [EM], Office of Nuclear Energy, and other DOE-Headquarters organizations, DOE Richland Operations Office [RL] other Hanford contractors [net transfers], other DOE sites, other DOE prime contractors, other Federal agencies, and other commercial entities) the Contractor receives to perform work, excluding RL holdbacks.

Project Hanford Management Contract (PHMC) EM pension contributions by the Contractor are expected to be \$28.0M for FY 2007 and \$29.0M for FY 2008. Pension estimates do not include any changes that would result from DOE N 351.1 or from GAM 94 mortality tables. Should pension contributions beyond these amounts be needed, DOE will either provide additional funding beyond that identified in Section B.4 above to cover the full value of the increased contribution or agree to a corresponding decrease in work scope equal to the full value of the overage. Should required pension contributions be less than these amounts, the Contractor shall identify the savings resulting from the decreased contribution. DOE will determine the use of any cost savings associated with pension contributions below these amounts.

**PERFORMANCE OBJECTIVES, MEASURES,
EXPECTATIONS AND INCENTIVES**

SECTION J

**APPENDIX D
FY 2007 – FY 2008**

PI	PHMC Modification	Description
<u>RL-0011</u> (Rev. 1)	Modification A270	NM Stabilization and Disposition – PFP
<u>RL-0012</u> (Rev. 1)	Modification A270	SNF Stabilization and Disposition – KBC
<u>RL-0013</u> (Rev. 1)	Modification A270	Solid Waste Stabilization and Disposition
<u>RL-0030</u>	Modification A255	Soil and Water Remediation – GWVZ Nuclear Facility
<u>RL-0040</u>	Modification A255	Nuclear Facility D&D – Remainder of Hanford
<u>RL-0042</u> (Rev. 1)	Modification A270	Nuclear Facility FFTF
<u>RL-Composite</u> (Rev. 2)	Modification A258	Composite Performance
<u>FHI-Cost</u> <u>Underrun</u> <u>Funded</u>	Modification A252 ⁽¹⁾	Cost Underrun Funded Performance Incentive

Interpretive Letters:

⁽¹⁾Letter, K. A. Klein to R. G. Gallagher, "Contract No. DE-AC06-96RL13200 -- Request for Equitable Adjustment on Underrun Funded Performance Objective 12, RL-040-Complete 212-N Nuclear Facility Hazard Reduction and Downgrade", 07-AMCP-0134, dated April 4, 2007.

The following letter extends the date for specific fee incentives beyond the 9/30/06 completion date of the former PI's.

Letter, K. A. Klein to R. G. Gallagher, "Contract No. DE-AC06-96RL13200 -- Request for Approval of Proposed Revision to Contract Deliverables and RL-30 Performance Incentive Objective for Installation of a Sequestration Barrier at 100-NR-2", 07-PRO-0175, dated March 2, 2007.

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 1: Continue to make progress toward Deactivation, Decommissioning, Decontamination and Dismantlement of the PFP Complex facilities in support of the 2016 end point.

Performance Objective 1a: Accelerate internal cleanout of 234-5Z glove boxes.

\$2.1M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be identified by FH.

\$3.0M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be mutually agreed to by FH and DOE.

\$3.0M may be earned as progress payment in three increments for clean-out of up to three 234-5Z glove boxes to be mutually agreed to by FH and DOE.

\$1.9M may be earned as progress payment for clean-out of 234-5Z glove box HA-23.

If de-inventory activities are initiated, partial payment of fee will be made based on the EVMS percent complete. Remaining unearned fee will be reallocated to de-inventory activities in Contingent Objective 1b.

Completion Criteria:

- Glove box cleanout is considered complete when all internal process equipment has been removed and waste has been dispositioned.

Government Furnished Services/Items:

None identified.

CONTINGENT OBJECTIVE 1b: PFP De-inventory

Performance Objective 1b: Achieve progress toward de-inventory of PFP DOE-STD-3013 containers and unirradiated fuel by September 30, 2009.

\$TBD may be earned as progress payment in TBD increments for shipment of TBD 3013 containers to an offsite receiving facility.

Once de-inventory activities are initiated, any unearned fee from Performance Objective 1a will be allocated to Performance Objective 1b and the number of increments and shipments will be established.

Completion Criteria:

- SNM shipment is considered completed when the shipment leaves the PFP PA.

Government Furnished Services/Items:

- DOE will initiate procurement of approximately 1000 additional 9975 shipping containers (at an estimated cost of \$8,602 per container) within 30 days of authorization to ship with delivery in time to support required 3013 shipping schedule.

RL CO 81 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

- DOE will provide the necessary SGTs to support completion of 3013 de-inventory by 2009 with no more than 3 SGT convoy shipments in any one month.
- DOE will provide the contractor authorization to ship 3013 containers 3 months prior to the start of shipments.
- DOE will provide NNSA-OST Arm/Disarm training within 30 days of authorization to ship.
- DOE will provide approval of the pending revision to the Shipper-Receiver Agreement within 30 days of authorization to ship.
- DOE will certify the Hanford Un-irradiated Fuel Package (HUFPP) for use by February 28, 2008.
- DOE will authorize early procurement of the HUFPP by December 31, 2007.

PERFORMANCE OBJECTIVE 2: Demolish PFP consistent with the Action Memoranda, including disposal of all waste generated during D&D and demolition activities.

Performance Objective 2a: Transition and dismantle the 241-Z complex per the PFP Complex End Point Criteria, Removal Action Work Plan, and in accordance with TPA Milestone M-083-42 by September 30, 2007.

\$0.5M may be earned as progress payment upon submittal of Operator Certification and Professional Engineer Certification on the RCRA 241-Z Closure by March 30, 2007.

\$2.5M may be earned as progress payment upon transition of the 241-Z high-level waste storage tank facility to demolition ready by June 30, 2007.

\$2.5M may be earned as progress payment for demolition of 241-Z/ZA to slab-on-grade by September 30, 2007.

Completion Criteria:

- The Operator Certification and Professional Engineer Certification are complete upon submittal to DOE.
- 241-Z is considered ready for demolition in accordance with the approved Removal Action Work Plan for Above Grade Structures: Ancillary Facility Demolition (DOE/RL-2005-15).
- Transition of 241-Z is complete when the facility specific end point criteria have been met consistent with the end point criteria document and signed off complete and submitted to RL in accordance with the TPA Milestone.

Government Furnished Services/Items:

None identified.

RL CO SL Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

Performance Objective 2b: Submit the necessary regulatory documentation to initiate transition of 216-Z-9 Crib Complex.

\$0.2M may be earned as progress payment upon submittal of the Removal Action Work Plan for 216-Z-9 Crib Complex by September 30, 2008.

\$0.5M may be earned as progress payment upon completion of the 216-Z-9 facility condition analysis by September 30, 2008.

Completion Criteria:

- The Removal Action Work Plan is complete upon submittal to RL.
- The 216-Z-9 facility condition analysis is considered complete when the analysis field work has been completed and a sub-project execution plan has been submitted to RL.

Government Furnished Services/Items:

None identified.

Performance Objective 2c: Implement the necessary lay-up activities to place PFP in a safe configuration until D&D resumes.

\$2.0M may be earned in equal progress payments for completion of the following lay-up activities:

- 26" vacuum demister #1
- Sampling of 26" vacuum
- 242-Z Airlock lay-up scope
- Drain liquids in Pulser glove box
- Stabilize the 291-Z duct

Completion Criteria:

- Remove the tar like substance from the glass vessel in Demister 1: removal of the demister is not required (Lay-up plan action 3).
- Collect 4 samples from the polycube effected portion of the 26 inch vacuum line (Lay-up plan action 4).
- Remove the lead-acid batteries from the manlift in airlock west of the 242-Z tank room (Lay-up plan action 59) and remove the combustible containment tent on the west side of 242-Z (Lay-up plan action 60).
- Remove and package the liquid on the floor of the pulser glove box in 236-Z room 43 (Lay-up plan action 67).
- Stabilize the galvanized duct section in building 291-Z that used to connect the 232-Z ventilation system to 291-Z. The duct will be stabilized in a manner to provide containment during lay-up (Lay-up plan action 62).

Government Furnished Services/Items:

None identified.

RL CO DL Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

OVER TARGET FUNDED

Performance Objective 1: Continue to make progress toward Deactivation, Decommissioning, Decontamination and Dismantlement of the PFP Complex facilities in support of the 2016 end point.

Performance Objective 1c: Continue internal cleanout of 234-5Z and Plutonium Reclamation Facility (PRF) glove boxes.

\$1.5M may be earned as progress payment in equal increments for internal clean-out of ten glove boxes/conveyors in 234-5Z. The glove boxes and conveyers to be completed are HA-46, HA-15, HA-14DC, HA-14CC, HC-15 A, B, C, and conveyers HA-28, HC-5, and HC-2. Substitution of other 234-5Z glove boxes may be made upon mutual agreement between FH and RL.

\$0.15M may be earned as progress payment for internal clean-out of one glove box in PRF.

If de-inventory activities are initiated, partial payment of fee will be made based on the EVMS percent complete. Remaining unearned fee will be reallocated to de-inventory activities in Contingent Objective 1b.

Completion Criteria:

- Glove box cleanout is considered complete when internal process equipment has been removed and waste has been dispositioned. Internal clean out of the glove boxes will be consistent with FH letter FH-0602865 from R. G. Gallagher, FH to K. A. Klein, RL, "Completion Criteria for Plutonium Finishing Plant Glovebox Fiscal Year 2007 and Fiscal Year 2008 Performance Incentives," dated November 27, 2006, with the following exceptions:
 - Large plates and rods in HC-15 A,B,C would remain in the glove box
 - The scale on top of HA-15 is not part of the glove box and is therefore excluded from this PI
 - Only conveyor belts will be removed from HC-5, HC-2 and HA28.

Performance Objective 2d: Complete remaining FY 2008 lay-up work scope per the Lay-up Plan.

- a. Install HEPA Filter on Drain Roof Vent.
- b. Install HEPA Filter on Rigid Containment Room 1.
- c. Drain hydrofluoric acid.
- d. Drain vent nitric acid feed lines.
- e. Mitigation of open emergency exhaust valve.

\$0.35M may be earned as progress payment in equal increments for completion of the following lay-up activities:

RL CO 82 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0011 Nuclear Material Stabilization and Disposition (PFP Closure Project)

Allocated Fee: \$20.2M of the fee available in PHMC Clause B.4

- c. Drain B-acid feed lines.
- d. Drain vertical nitric acid feed lines.

If de-inventory activities are initiated, partial payment of fee will be made based on the EVMS percent complete. Remaining unearned fee will be reallocated to de-inventory activities in Contingent Objective 1b.

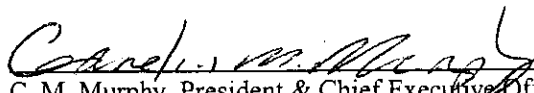
Completion Criteria:

- Drain B-acid feed lines between 234-5Z and 236-Z and from the down leg in corridor 31 in 236-Z (Lay-up plan action 66).
- Drain vertical nitric acid feed lines from the duct level to the glove boxes in the RMA and RMC process lines (Lay-up plan actions 63 and 64).

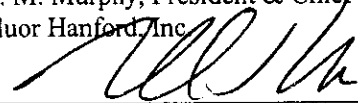
Government Furnished Services/Items:

None identified.

Signatures:


C. M. Murphy, President & Chief Executive Officer
Fluor Hanford, Inc.

7/3/07
Date


M. J. Weis, Acting Manager Richland Operations Office

7/3/07
Date

RL CO DA Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0012 SNF Stabilization and Disposition (K-Basins Closure Project)

Allocated Fee: \$8.9M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 1: Deactivate and Remove K-East Basin

Performance Objective 1a: Complete removal of found fuel and scrap from K-East Basin by 31 May 2007.

\$1.0M may be earned as progress payment upon completion of Performance Objective 1a by 31 May 2007.

Completion Criteria:

- The Fuel Transfer System cask containing K-East found fuel and scrap is removed from K-East Basin and K-East Basin is declared fuel free by FH Safeguards.

Government Furnished Services/Items:

None identified.

Performance Objective 1b: Complete transfer of sludge from K-East Basin in accordance with DNFSB Commitment 122E and TPA Milestone M-034-34 by 31 May 2007.

\$2.0M may be earned as progress payment upon completion of Performance Objective 1b by 31 May 2007.

Completion Criteria:

- Final sludge transfers through the Hose-in-Hose System have been completed.

Government Furnished Services/Items:

None identified.

PERFORMANCE OBJECTIVE 2: Deactivate K-West Basin.

Performance Objective 2a: Complete K-West sludge containerization in accordance with DNFSB commitment 119W and TPA Milestone M-034-35A by 31 July 2007.

\$3.0M may be earned as progress payment upon completion of Performance Objective 2a by 30 June 2007, decreasing linearly to 50% of fee by 31 July 2007.

Completion Criteria:

- The entire basin and pit floor surface has been completely vacuumed to expose the concrete floor.
- Any identifiable spent nuclear fuel discovered during vacuuming of sludge will be characterized, segregated and scheduled for removal from the K-West Basin.
- All debris in the basin shall have been washed to remove visible surface sludge.

Government Furnished Services/Items:

- The bulk sludge end point criteria document is approved by RL within 60 days of FH submittal.

RL CO 01 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0012 SNF Stabilization and Disposition (K-Basins Closure Project)

Allocated Fee: \$8.9M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 3: Treat K Basin Sludge

Performance Objective 3a: Complete Sludge Treatment Project Cold Vacuum Drying Facility (CVDF) major modifications by 30 September 2007 as necessary to begin installation of the Contractor's Stabilization and Packaging System major systems.

\$0.525M may be earned as progress payment upon completion of Performance Objective 3a by 30 September 2007.

Note: The \$0.525M fee allocation to PO 3a reflects an equitable adjustment for progress to date prior to the activity being stopped. The remaining \$1.975M is reallocated to PO 4a below. (Ref RL letter 07-KBC-0033 dated March 30, 2007 and FH letter FH-0700856A R2 dated May 15, 2007)

Completion Criteria:

- Completion of construction of 15 Facility Modification Packages (FMPs) required to permit initiation of installation of the Contractor's Stabilization and Packaging System major systems (Corrosion System, Assay System, and MOSS) in the CVDF. The 15 specific FMPs are as identified below:
 - a. HNF-FMP-06-30718-R0, Modify Bay 2 South Mezzanine Fire Protection
 - b. HNF-FMP-06-29992-R0, Relocate Bay 2 Crane Controls and Relocate/Remove Conduit at Mezzanine.
 - c. HNF-FMP-05-27939-R0, Remove CVDF Bay 2 South Mezzanine
 - d. HNF-FMP-06-29993-R0, Remove/Relocate CVDF Bay 2 Conduit
 - e. HNF-FMP-06-29991-R0, Relocate CVDF Seismic System
 - f. HNF-FMP-05-27981-R0, Provide CVDF Electrical Panel(s) With Disconnect(s)
 - g. HNF-FMP-06-TBD, Relocate CVDF Bay 1 Storage Cabinet
 - h. HNF-FMP-05-27981, Remove and Store CVDF Spare SCIC Cabinets
 - i. HNF-FMP-TBD, Modify CVDF Fire Protection System
 - j. HNF-FMP-TBD, Bridge Crane Structural Modifications
 - k. HNF-FMP-TBD, Bridge Crane Electrical Modifications
 - l. HNF-FMP-TBD, Install Air Inlet Into Bay 1
 - m. HNF-FMP-TBD, Relocate CVD Bay 2 & 3 Spare Piping
 - n. HNF-FMP-06-30300-R0, Remove CVDF Bay 1 PWC Equipment
 - o. HNF-FMP-TBD, Provide Large Wall Penetration Between CVDF Bays 2 and 3

Government Furnished Services/Items:

None identified

OVER TARGET FUNDED

Performance Objective 2b: Complete removal of all found fuel and scrap from the 105KW basin, process it at the CVDF, and transport to the CSB by September 30, 2008.

\$0.2M may be earned as progress payment upon completion of packaging the first MCO with found fuel and scrap, drying it at the CVD, and transporting it to the CSB. An additional \$0.2M may be earned if all found fuel and scrap in the KW Basin is packaged, dried, and transported to the CSB by September 30, 2008.

RL CO 01 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0012 SNF Stabilization and Disposition (K-Basins Closure Project)

Allocated Fee: \$8.9M of the fee available in PHMC Clause B.4

Completion Criteria:

- Found fuel and scrap stored at 105KW has been processed through the Fuel Retrieval System at KW, dried at the CVDF, and transported to the CSB.

Government Furnished Services/Items:

- All WCH fuel to be processed via CVDF has been transported to and placed in wet storage at the 105KW Facility by April 1, 2008.

Performance Objective 4a: Complete removal of the superstructure of the KE Facility by September 30, 2008.

\$1.975M may be earned as progress payment upon completion of Performance Objective 4a by September 30, 2008.

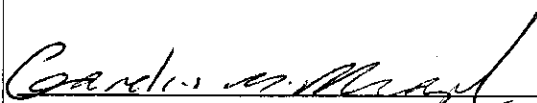
Completion Criteria - Per HNF-20632, End Point Criteria for the K Basins Interim Remedial Action.

- Superstructure waste has been packaged and shipped to ERDF per WAC BHI-00139 and BHI-000X-DC-W0001 (Supplemental) revisions as of June 1, 2007.

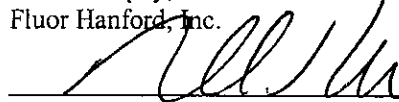
Government Furnished Services/Items:

- Sufficient ERDF roll off containers provided and removed on a schedule to support the demolition
- DOE approves the downgrade of the K East Basin to a less than a Hazard Category III nuclear facility in accordance with DOE-STD-1027-92, Hazard Categorization and Accident Analysis Techniques for Compliance with DOE Order 5480.23, Nuclear Safety Analysis Reports, after FH has submitted a Final Hazard Categorization document. This serves as the basis for determining the applicability of 10 CFR 830, Subpart B, and associated resources. This action is scheduled to occur shortly after grouting of pits containing hydrolase spoils, IXC's and Sand Filter is complete.
- Authorization to use the haul road east of 100K (WCH haul road)

Signatures:


C. M. Murphy, President & Chief Executive Officer
Fluor Hanford, Inc.

7/3/07
Date


M. J. Weis, Acting Manager Richland Operations Office

7/3/07
Date

RL CO 81 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0013 Solid Waste Stabilization and Disposition

Allocated Fee: \$33.3M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 1: Reduce the risk of continued interim storage of TRU waste.

Performance Objective 1a: Certify or ship 448 m³ (2,909 m³ cumulative toward TPA Milestone M-91-42) of TRU by 30 September 2008.

\$1.5M may be earned as progress payment for certification of a cumulative total of 2,729 m³ of TRU waste towards TPA Milestone M-91-42 by 30 September 2008.

\$1.2M may be earned as progress payment for certification of each of three additional increments of 60 m³ to a cumulative total of 2,909 m³ of TRU waste 30 September 2008.

Performance Objective 1b: Certify 80% of legacy TRU waste (placed in storage prior to January 2003) in storage at the Solid Waste Operations Complex by 30 September 2008.

\$1.0M may be earned as progress payment for certification of 80% of legacy TRU waste (placed in storage prior to January 2003) in storage at the Solid Waste Operations Complex by 30 September 2008.

Completion Criteria for 1a and 1b:

- Certify TRU for subsequent shipment to WIPP.

Note the following:

- Certification is defined as waste containers that meet all acceptance criteria for WIPP and are input to WWIS.
- One 55-gallon drum is defined as 0.208 m³ of TRU.
- One 85-gallon drum is defined as 0.322 m³ of TRU.
- One standard waste box is defined as 1.8 m³ of TRU.
- FHI Cost Underrun Funded Performance Incentives bring the M-91-42 cumulative total to 2,461 m³.
- A point adjustment from 0.2 m³ per drum to 0.208 m³ per drum will be applied to both increments and cumulative volumes.

Government Furnished Services/Items:

None identified.

PERFORMANCE OBJECTIVE 2: Remove the threat of release to the environment of suspect TRU per TPA Milestone M-91-40.

Performance Objective 2a: Retrieve 4,125 m³ (9085 m³ cumulative toward TPA Milestone M-91-40) of suspect TRU by 30 September 2008.

\$20.9M may be earned as progress payment for retrieval of 11 increments of 375 m³ of suspect TRU (4,125 m³ total) towards a cumulative total of 9,085 m³ towards TPA Milestone M-91-40 by 30 September 2008.

RL CO 82 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0013 Solid Waste Stabilization and Disposition

Allocated Fee: \$33.3M of the fee available in PHMC Clause B.4

Performance Objective 2b: Complete TPA Milestone M-91-40E (7,200 m³ cumulative total) by 31 December 2007.

\$1.0M may be earned as progress payment for completion of a cumulative total of 7,200 m³ towards TPA Milestone M-91-40E by 31 December 2007.

Completion Criteria for 2a and 2b:

- Retrieve suspect TRU from those locations as defined in the Hanford Federal Facility Agreement and Consent Order M-91 Series (Settlement Agreement).

Note the following:

- Retrieval is defined as removing the drums or boxes from the stack, making a determination as to TRU or non-TRU, performing designation, and transportation to a TSD or other compliant disposal facility. For purposes of completing this Performance Incentive, TRU and TRUM (TRU Mixed) are considered synonymous.
- One 55-gallon drum is defined as 0.208 m³ of TRU.
- One 85-gallon drum is defined as 0.322 m³ of TRU.
- One standard waste box is defined as 1.8 m³ of TRU.
- A point adjustment from 0.2 m³ per drum to 0.208 m³ per drum will be applied to both increments and cumulative volumes.

Government Furnished Services/Items:

None identified.

PERFORMANCE OBJECTIVE 3: Reduce the risk of continued interim storage of Mixed Low Level Waste.

Performance Objective 3a: Treatment and/or disposition of 415 m³ (5,615 m³ cumulative total toward TPA Milestone M-91-42) of Mixed Low-Level Waste by 30 September 2008.

\$1.25M may be earned as progress payment for treatment and/or disposition of 5 increments of 83 m³ each (415 m³ total) for a cumulative total of 5,615 m³ of MLLW towards TPA Milestone M-91-42 by 30 September 2008.

Performance Objective 3b: Treatment and/or disposition of 300 m³ cumulative total toward TPA milestone M-91-43. This will be done by establishing and demonstrating contact-handled MLLW treatment capability for 106 m³ of oversize containers sized between 10 and 35 m³ by 30 September 2008.

\$0.1M may be earned as progress payment for treatment and/or disposition of a cumulative total of 300 m³ of contact-handled MLLW towards TPA Milestone M-91-43 by 30 September 2008.

Performance Objective 3c: Complete TPA Milestone M-91-12 by 16 November 2007.

\$0.1M may be earned as progress payment for completion of TPA Milestone M-91-12 by 16 November 2007.

RL CO 81 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0013 Solid Waste Stabilization and Disposition

Allocated Fee: \$33.3M of the fee available in PHMC Clause B.4

Completion Criteria 3a-c:

- Treatment and/or disposition of Mixed Low-Level Waste.

Note the following:

- Mixed Low-Level Waste that has been treated by the generator may be directly disposed and counted towards the required volumes of this Performance Incentive.
- Volumes under this Performance Incentive are pretreatment volumes and consistent with M-91 Milestones.
- Waste currently categorized as MLLW, and in storage, may be counted towards the required volumes of this Performance Incentive if regulatory requirements for disposal are met.
- Decommissioned Naval Reactor Compartments may not be counted towards the required volumes of this Performance Incentive.
- Establish an off-site treatment contract and treatment and/or disposal of 106 m³ of containers between 10 and 35 m³ CH-MLLW.
- One 55-gallon drum is defined as 0.208 m³ of TRU.
- One 85-gallon drum is defined as 0.322 m³ of TRU.
- One standard waste box is defined as 1.8 m³ of TRU.
- A point adjustment from 0.21 m³ per drum to 0.208 m³ per drum will be applied to both increments and cumulative volumes.

Government Furnished Services/Items:

None identified.

Performance Objective 3d: Complete a report for designation and treatment path forward of MLLW stored in the Solid Waste Operations Complex facilities on 30 September 2006 by 30 September 2007.

\$0.2M may be earned as progress payment for completion of a report for designation and treatment path forward of MLLW in storage at Solid Waste Operations Complex by 30 September 2007.

Completion Criteria for 3d:

- Submittal of report to RL for Performance Objective 3d by 30 September 2007.

Government Furnished Services/Items:

None identified.

PERFORMANCE OBJECTIVE 4: Process inventory in LERF Basin 44.

Performance Objective 4a: Process LERF Basin 44 inventory of ~4 million gallons by 30 September 2008.

\$1.05M may be earned as progress payment for processing Basin 44 inventory of ~4 million gallons in six increments of ~670,000 gallons each by 30 September 2008.

Completion Criteria:

- The amount of water in Basin 44 on 30 September 2008 is at the empty level that has been negotiated with the regulatory agencies plus volumes received during FY 2007 and FY 2008.

RL CO SL Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0013 Solid Waste Stabilization and Disposition

Allocated Fee: \$33.3M of the fee available in PHMC Clause B.4

Government Furnished Services/Items:

None identified.

OVER TARGET FUNDED

Performance Objective 1a.1 Certify, ship or repackage an additional 400 m³ (3,309 m³ cumulative) of TRU waste by 30 September 2008.

\$2.7M may be earned as progress payment for certification of five increments of 60 m³ for a cumulative total of 3,309 m³ of certified TRU waste by 30 September 2008.

\$1.0M may be earned as progress payment for certification or repackaging of two increments of 50 m³ for a cumulative total of 3,309 m³ of certified or repackaged TRU waste by 30 September 2008.

\$150K may be earned for submitting the required documentation, including Acceptable Knowledge/Waste Stream Profile Form, Defense Determination, and solid sampling and analysis results, required for certification of treated NLOP sludge.

\$150K may be earned for establishment of TRU Standard Waste Box repackaging capability and submission of a report on SWB vs. drum repackaging efficiency.

Completion criteria: repackage a minimum of 40 m³ of TRU waste into SWBs.

Completion Criteria:

- Certification: Same as 1a above.
- Repackaging: Repackaging of drums at either WRAP or T Plant into a compliant container acceptable for shipment to the WIPP and transfer of the container back to the WRAP (CWC) storage buildings.

Government Furnished Services/Items:

- Solid sampling and lab analysis at no cost to FH in support of the NLOP sludge within 120 days of shipment of the selected drums to INEEL

Performance Objective 3a.3: Treatment and/or disposition of an additional 1,000 m³ (6,615 m³ cumulative) of Mixed Low-Level Waste by 30 September 2008.

\$1.0M may be earned as progress payment for treatment and/or disposition of four increments of 250 m³ each (1,000 m³ total) for a cumulative total of 6,615 m³ of MLLW towards TPA Milestone M-91-42 by 30 September 2008.

Completion Criteria:

- Same as 3a above.

RL CO 2.1 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0013 Solid Waste Stabilization and Disposition

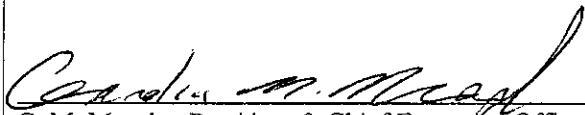
Allocated Fee: \$33.3M of the fee available in PHMC Clause B.4

Government Furnished Services/Items:

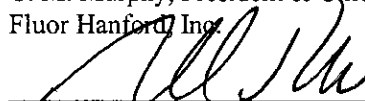
None identified.

SUPERSTRETCH: Additional fee may be earned for TRU certification of quantities in excess of the 3,309 m³ identified in Performance Objective 1a.1 above, up to a cumulative total of 5,400 m³ through September 30, 2008. In accordance with contract clause H.33.K, Fluor may propose superstretch incentives/expectations as appropriate; any such proposal(s) shall be in increments of 100 m³.

Signatures:


C. M. Murphy, President & Chief Executive Officer
Fluor Hanford, Inc.

7/3/07
Date


M. J. Weis, Acting Manager Richland Operations Office

7/3/07
Date

RL CO dd Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0042 Nuclear Facility FFTF

Allocated Fee: \$2.5M of the fee available in PHMC Clause B.4

PERFORMANCE OBJECTIVE 1: Fast Flux Test Facility (FFTF) Complex Hazard Reduction

Performance Objective 1a: Transition the FFTF and support facilities to a low cost surveillance.

Performance Objective 1a.1: Transfer of mixed oxide test pins (ACO-3 & FO-2) to INL by March 31, 2007.

\$0.03M may be earned as progress payment upon completion of Performance Objective 1a.1 by March 31, 2007.

Government Furnished Services/Items:

- DOE will ensure that the INL Facility is ready for receipt of the test pins by March 10, 2007.

Performance Objective 1a.2: Complete excess of spare parts by September 26, 2008.

\$0.07M may be earned as progress payment upon completion of Performance Objective 1a.2 by September 26, 2008.

Completion Criteria:

- FFTF spare parts have been removed from Buildings 4732-A, 4732-B and 4732-C as evidenced by inventory records and visual inspection. Selected spare parts for equipment to support final shutdown and interim S&M have been segregated and stored. Other remaining spares have been excessed. FFTF materials have been removed from Buildings 4814 and 4843.

Government Furnished Services/Items:

None identified.

Performance Objective 1a.3: Complete sodium bonded fuel pins transfer from PFP to FFTF by December 31, 2006.

\$0.1M may be earned as progress payment upon completion of Performance Objective 1a.3 by December 31, 2006.

Completion Criteria:

- 87 sodium bonded fuel pins have been transferred from PFP to FFTF.

Government Furnished Services/Items:

None identified.

CARRYOVER FUNDED

Performance Objective 1a.4: Complete sodium bonded fuel transfer to INL by May 31, 2008.

\$0.9M may be earned as progress payment in six increments (two shipments each) for completion of sodium bonded fuel transfers to INL by May 31, 2008.

Completion Criteria:

RL CO 84 Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0042 Nuclear Facility FFTF

Allocated Fee: \$2.5M of the fee available in PHMC Clause B.4

- All sodium bonded fuel has been transferred to the INL Facility. This includes:
 - 87 fuel pins previously transferred from PFP to FFTF (three pin containers).
 - Unirradiated test assembly MFF-8A.
 - Five intact, irradiated fuel assemblies.
 - Irradiated sodium bonded metal fuel pins from disassembled fuel assemblies (three pin containers).

Government Furnished Services/Items:

- DOE will ensure that the INL Facility is ready to initiate receipt of the sodium bonded fuel by March 30, 2007.
- DOE will ensure the T-3 Cask is available to ship the complete sodium bonded fuel assemblies by August 30, 2007.

Performance Objective 1a.5: Complete IEM cell and fuel handling equipment layup by September 30, 2008.

\$0.3M may be earned as progress payment upon completion of IEM cell and fuel handling equipment layup by September 30, 2008.

Completion Criteria:

- Required remote operations for the IEMC in support of IEMC and FHE Deactivation have been completed as follows:
 - Loaded waste containers removed from the IEMC.
 - Bulk sodium receptacles containing sodium removed from the IEMC and FHE and stored for future disposition (CLEM drip pots, BLTC drip cups, and Ident 15 and 17 drip containers).
 - 16 IEMC HEPA filters have been removed from the IEMC.
 - IEMC motor and gearbox fluids drained and removed to the extent practical.

Government Furnished Services/Items:

- DOE will ensure that the INL Facility is ready to initiate receipt of the sodium bonded fuel by March 30, 2007.
- DOE will ensure the T-3 Cask is available to ship the complete sodium bonded fuel assemblies by August 30, 2007.
- DOE will provide approval of the Disposable Solid Waste Cask OTRS by May 15, 2007.

Performance Objective 1a.6: Complete transition of FFTF and support facilities to low cost surveillance and maintenance mode by September 30, 2008.

\$0.1M may be earned as progress payment upon transition of FFTF and support facilities to low cost surveillance and maintenance mode by September 30, 2008.

Completion Criteria:

- All nuclear fuel has been removed from the facility to approved on-site or off-site locations.

RL CO dt Date 7/2/07

FY 2007 - FY 2008 FHI PERFORMANCE INCENTIVE

Rev. 1, June 6, 2007

PBS: RL-0042 Nuclear Facility FFTF

Allocated Fee: \$2.5M of the fee available in PHMC Clause B.4

- All bulk sodium has been drained to the Sodium Storage Facility.

Government Furnished Services/Items:

- DOE will ensure that the INL Facility is ready to initiate receipt of the sodium bonded fuel by March 30, 2007.
- DOE will ensure the T-3 Cask is available to ship the complete sodium bonded fuel assemblies by August 30, 2007.
- DOE will provide approval of the Disposable Solid Waste Cask OTRS by May 15, 2007.

Performance Objective 1b: Disposition of FFTF sodium.

\$1.0M may be earned as progress payment upon completion of draining sodium pools from the primary MHTS large sodium valves by September 30, 2007.

Performance Objective 1b.1: Complete draining sodium pools from the primary MHTS large sodium valves by September 30, 2007.

Completion Criteria:

- The sodium pools have been removed from each of the three primary MHTS hot leg isolation valves (approximately 125 gallons each), each of the three primary MHTS cold leg isolation valves (approximately 70 gallons each), and each of the three primary MHTS loop check valves (approximately 35 gallons each) to the maximum extent practical.

Government Furnished Services/Items:

None identified.

Signatures:



C. M. Murphy, President & Chief Executive Officer
Fluor Hanford, Inc.

7/3/07
Date


M. J. Weis, Acting Manager Richland Operations Office

7/3/07
Date

RL CO 24 Date 7/2/07